

The AVTECH logo is displayed in a bold, white, sans-serif font. The 'A' is stylized with three vertical bars on its left side. The background of the entire slide is a low-angle photograph of a city street with several tall skyscrapers reaching towards a clear blue sky. A street lamp with three glowing yellow lights is visible in the lower-left corner. A large, dark blue circular graphic is centered on the page, containing the text.

AVTECH

2023 Conference

AVTECH Crop.

10, Nov. 2023

Presenter:

Lydia

Accounting Manager



Agenda

- | | |
|--------------------|-----------------------------------|
| 15:30~16:00 | Registration |
| 16:00~17:00 | Presentation & Q&A |



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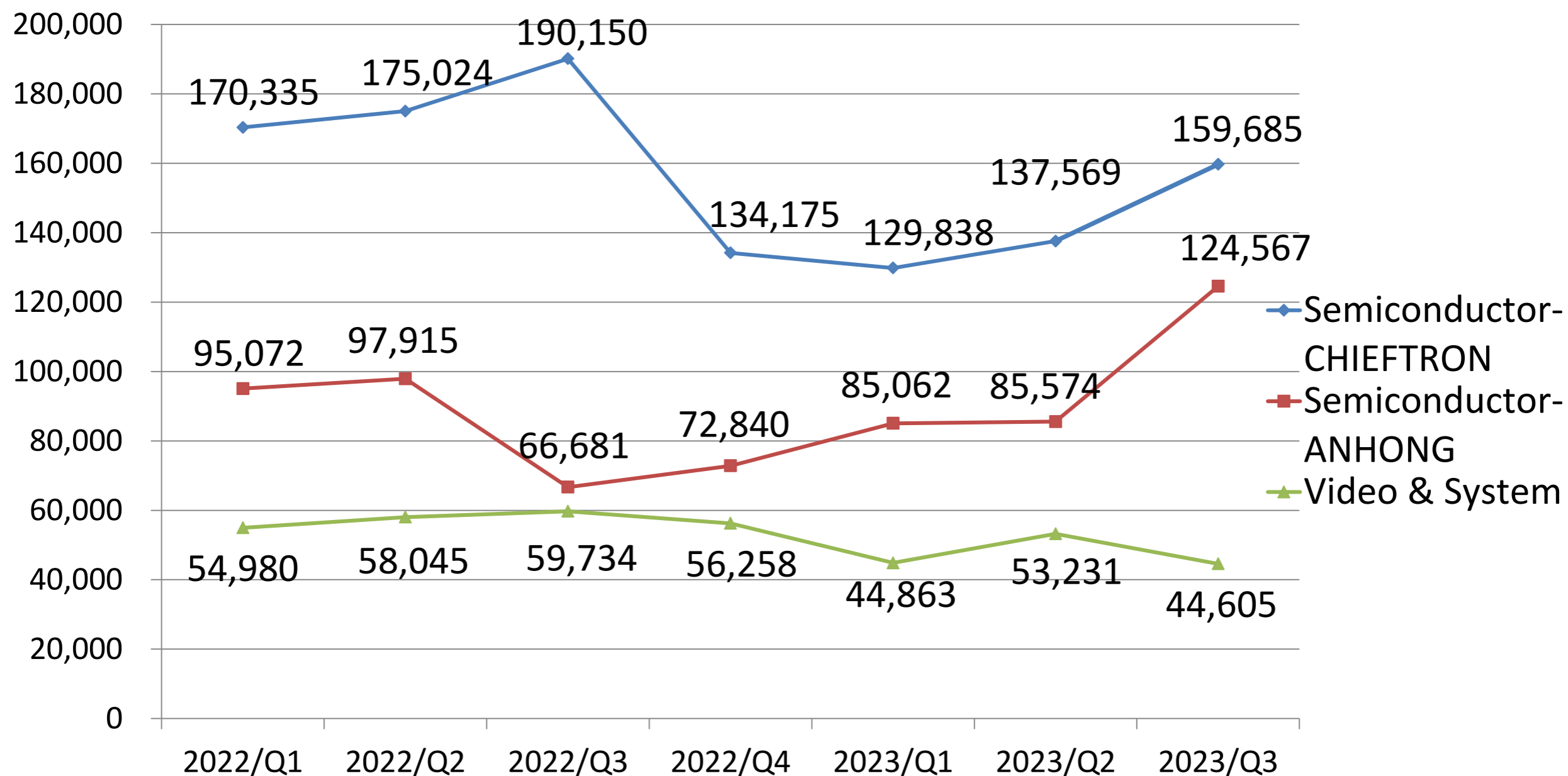


Financial Information



Quarterly Revenue by Business

Unit : Thousand NTD dollars





Consolidated Comprehensive Income Statement

Unit : Thousand NTD dollars

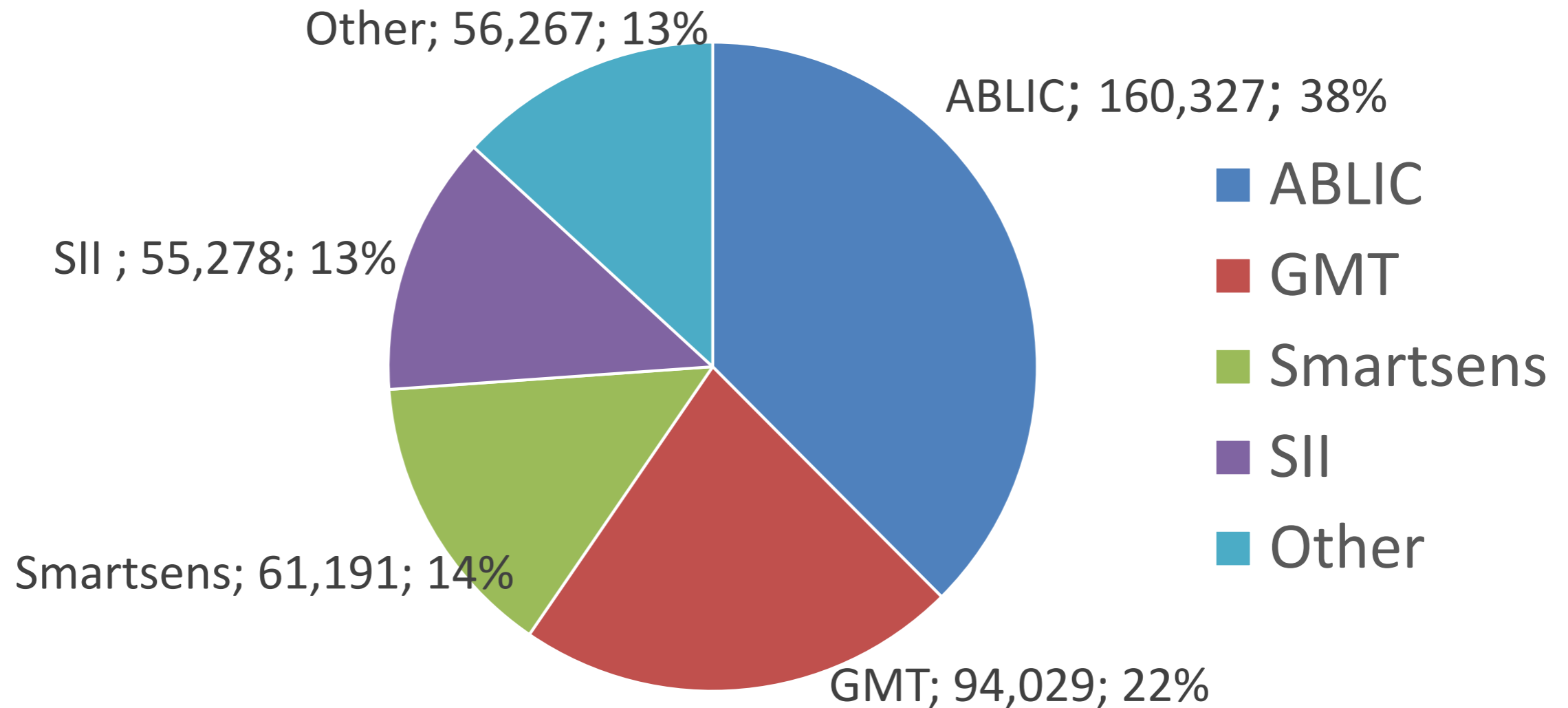
Item	2023Q1		2023Q2		2023Q3	
	AMT	YoY	AMT	YoY	AMT	YoY
Sales Revenue	259,763	-19%	276,374	-16%	328,857	4%
Gross Profit	46,682	-18%	49,076	-18%	60,041	-3%
Gross Profit Margin	18%	-	18%	-	18%	-1%
Operating Expenses	44,727	-11%	48,214	2%	56,996	-1%
Net Operating Profit	1,955	-71	862	-93%	3,045	-30%
Net Profit (Current)	11,930	-54	22,813	-29%	36,903	-17%
EPS	0.12		0.26		0.39	



Semiconductor Revenue Distribution

Unit : Thousand NTD dollars

January to September 2023





Current Business Strategy



Business and Strategy :



Semiconductor
Acting
→ Keep and
Stable



MIT product
expansion
DVR → camera



AI product
development
Traditional
vision → AI
intelligence



Intelligent
application
Smart detection
→ AI
recognition



■ MIT product expansion: From non-Chinese video recorders to non-Chinese cameras

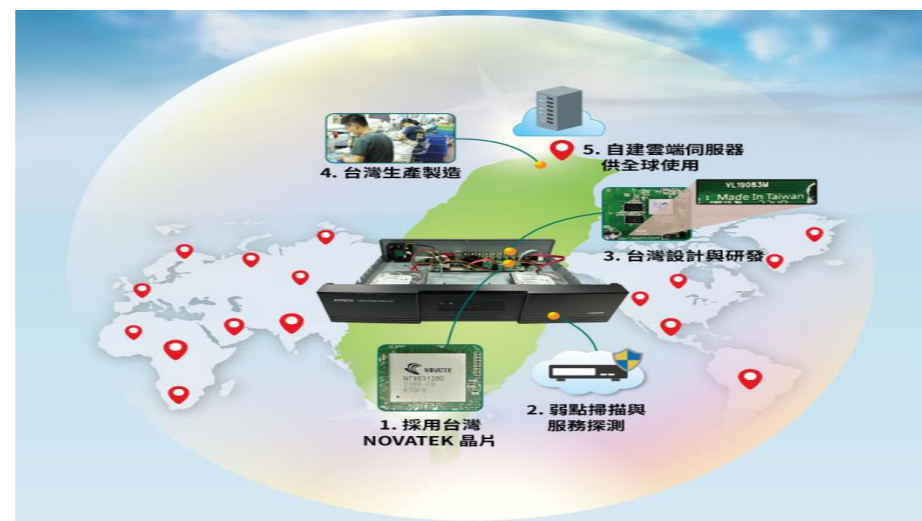
- National security concern: Mainland China's national security law mandates companies to cooperate with Beijing's security agencies, sparking a boycott of Mainland-manufactured cameras.
- Geopolitics: The boycott of Chinese products triggered by nationalistic sentiments arising from events such as the Russia-Ukraine war, the China-India border dispute, and tensions in the Taiwan Strait.
- Technology protection: The demand shift towards non-Chinese chips and products resulting from the entity list restrictions imposed by the NDAA.
- Information Security: The surge in demand for AI chips and algorithm technologies from highly reliable sources driven by concerns over personal privacy and corporate information security.





◆ MIT Product Expansion: Building a comprehensive security solution with non-Chinese components

- Taiwanese Chips: Designed with Taiwanese chip technology to alleviate concerns about chip backdoors.
- In-house Vulnerability Scans: Products conduct vulnerability scans to ensure privacy protection and information security in network transmissions.
- Taiwanese Design and R&D: Locally autonomous development and design by a Taiwanese team to meet 100% MIT and NDAA requirements.
- Taiwanese Production: In-house manufacturing in Taiwan to fulfill 100% MIT and TAA sourcing requirements.
- In-house Cloud Servers: Independently developed P2P cloud software and partnered with major international server platforms, ensuring secure information encryption during transmission with no security concerns.





- **AI Intelligent Product Development: From generalized estimation to precise decision-making**
 - High CPU computational resources consumption → Hardware without depleting CPU computing resources
 - Fixed performance → Continuous learning and optimization
 - Simple environmental application → Complex environmental application
 - Expert experience to seek answers → Training on extensive data for inference and answers
 - Generalized estimation has a high error rate → Precision decision-making has a low error rate

Traditional Vision

- ✓ Software computation
- ✓ Fixed performance
- ✓ Simple environmental application
- ✓ Solving through experience
- ✓ Generalized estimation

AI Intelligence

- ✓ Hardware acceleration
- ✓ Continuous optimization
- ✓ Complex environmental application
- ✓ Big data inference
- ✓ Precision decision-making



◆ AI Intelligent Product Development

- A smart product for facial detection



- An active deterrent product for vehicle type detection



- An event alert product for human detection



- An environmental safety product for flame detection





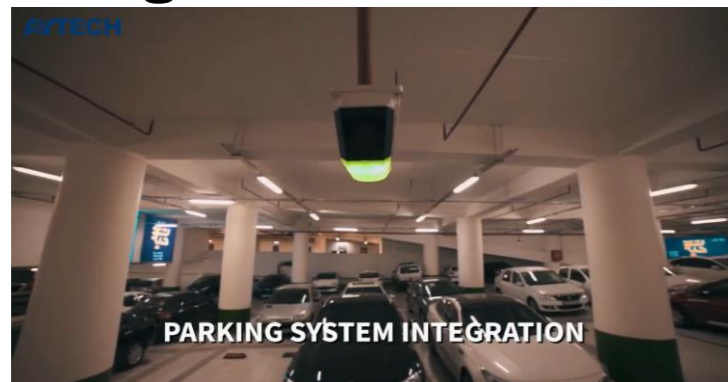
- Industry Intelligent Applications: From intelligent detection to intelligent recognition in industry applications
 - Addressing the pain point of high false alarm rates in traditional displacement detection, meeting the proactive event notification needs of the surveillance industry.
 - Addressing the limitations of fixed scenes in traditional visual recognition, meeting specific application needs across different industries.





■ Intelligent Industry Applications – Creating additional value through intelligent application

- An intelligent parking application with license plate recognition



- An intelligent surveillance application with facial recognition for smart search



- An advertising application with human attribute recognition for targeted marketing



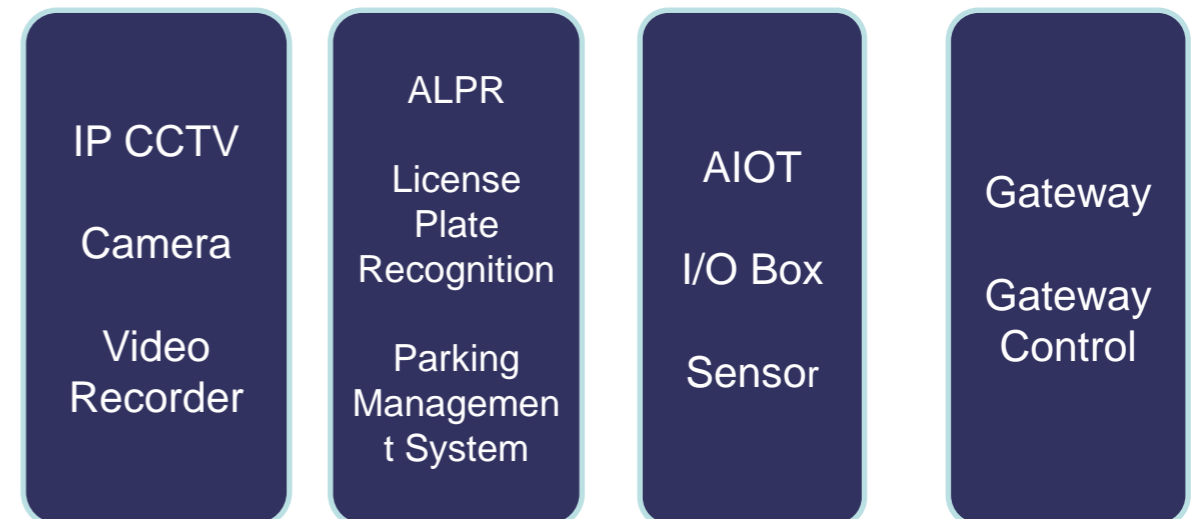
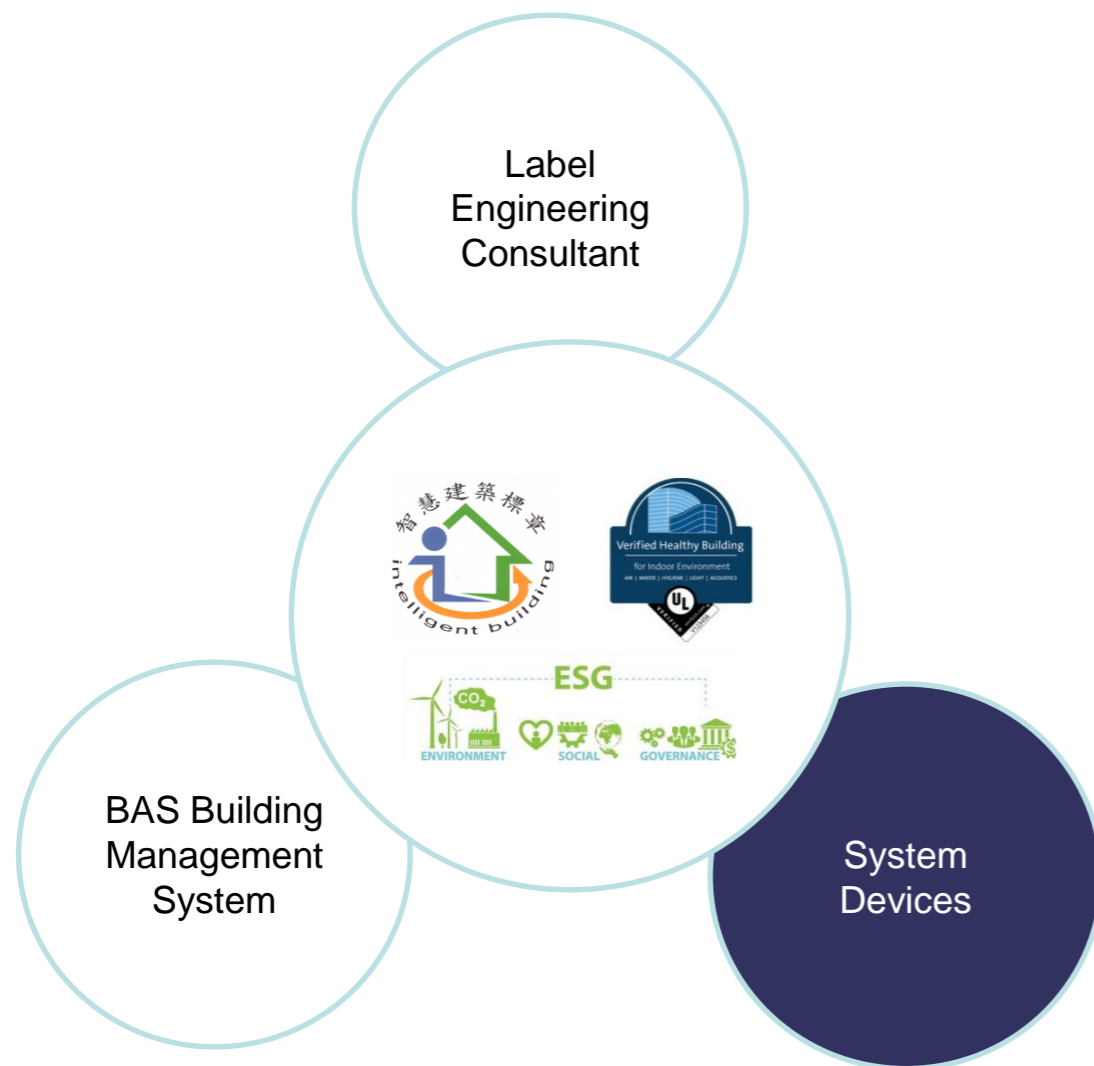
- A care industry application for fall detection





■ Cross-border Application- Intelligent, Green Building

BAS Intelligent Building
-Intelligent Management System





Conclusion



- AI-based Security surveillance products triggers the demand of CCTV replacement.
- Continuous efforts in cross-border applications: Green buildings, Smart buildings.
- Semiconductor components channel: pragmatic construction management.



Thanks!